

1 **STATE OF CALIFORNIA**
2 **BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY**
3 **DEPARTMENT OF BUSINESS OVERSIGHT**
4

5 TO: Citivest Residential Income and Total Return Fund, LLC
6 4340 Von Karman Avenue, Suite 110
7 Newport Beach, CA 92660
8 www.citivestinc.com

9 **DESIST AND REFRAIN ORDER**

10 **(For Violations of Corporations Code sections 25102.1(d) and 25401)**

11 The Commissioner of Business Oversight of the State of California (“Commissioner”) finds
12 that:

13 1. At all relevant times, Citivest Residential Income and Total Return Fund, LLC is and was a
14 California limited liability company formed on February 19, 2013. Citivest Residential Income and
15 Total Return Fund, LLC maintains an address at 4340 Von Karman Avenue, Suite 110, Newport
16 Beach, CA 92660 and a website at www.citivestinc.com.

17 2. Beginning on or about May 31, 2013, Citivest Residential Income and Total Return Fund,
18 LLC offered and sold securities in the form of membership shares to at least three investors.

19 3. These securities were offered in this state in issuer transactions. The Department of Business
20 Oversight has not issued a permit or other form of qualification authorizing any person to offer these
21 securities in this state.

22 4. In addition, the subscription agreements of Citivest Residential Income and Total Return
23 Fund, LLC represent that the sales of securities are made in reliance on section 4(2) and/or
24 Regulation D, Securities Act of 1933, 17 Code of Federal Regulations part 230.506 (2014). However,
25 Citivest Residential Income and Total Return Fund, LLC failed to file the Form D exemption notice,
26 consent to service of process, and filing fee with the Commissioner pursuant to Corporations Code
27 section 25102.1, subdivision (d). Nor did Citivest Residential Income and Total Return Fund, LLC
28 file a Form D exemption notice with the Securities and Exchange Commission with respect to its

1 various securities offerings as required by federal law (17 C.F.R. §230.503 (2014)).

2 Based upon the foregoing findings, the California Commissioner of Business Oversight is of
3 the opinion that the membership interests offered and sold by Citivest Residential Income and Total
4 Return Fund, LLC are securities subject to the requirements of Corporations Code section 25102.1,
5 subdivision (d), of the Corporate Securities Law of 1968 (Corporations Code section 25000 et seq.).
6 Furthermore, the Commissioner is of the opinion that Citivest Residential Income and Total Return
7 Fund have not met the requirements of Corporations Code section 25102.1, specifically, the filing of
8 a Form D exemption notice, consent to service of process, and filing fee with the Commissioner.
9 Pursuant to Corporations Code section 25532, subdivision (a)(2), Citivest Residential Income and
10 Total Return Fund, LLC is hereby ordered to desist and refrain from the further offer of securities in
11 Citivest Residential Income and Total Return Fund, LLC in the State of California, unless and until
12 these requirements have been met.

13 In addition, the Commissioner is of the opinion that securities were offered and sold by means
14 of oral or written communication which includes an untrue statement of material fact or omits to state
15 a material fact necessary in order to make the statements made, in light of the circumstances under
16 which they were made, not misleading, in violation of Corporations Code section 25401.
17 Specifically, the various subscription agreements of Citivest Residential Income and Total Return
18 Fund, LLC represent that membership interests are being sold under exemption from registration as
19 allowed by the Securities and Exchange Act of 1933, Section 4(2) and/or Regulation D (506) when,
20 in fact, there has been a failure to satisfy this exemption due to a lack of a Form D exemption notice
21 being filed with the Securities and Exchange Commission. Pursuant to Corporations Code section
22 25532, subdivision (c), Citivest Residential Income and Total Return Fund, LLC is hereby ordered to
23 desist and refrain from the further offer of securities in Citivest Residential Income and Total Return
24 Fund, LLC by means of any oral or written communication which includes an untrue statement of
25 material fact or omits to state a material fact necessary in order to make the statements made, in light
26 of the circumstances under which they were made, not misleading.

27 This Order is necessary, in the public interest, for the protection of investors and consistent
28 with the purposes, policies, and provisions of the Corporate Securities Law of 1968 (Corporations

1 Code section 25000 et seq.).

2 Dated: July 17, 2015

JAN LYNN OWEN
Commissioner of Business Oversight

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By _____

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MARY ANN SMITH
Deputy Commissioner
Enforcement Division

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